

ARTICLES OF INCORPORATION

OF

[FOUNDATION SHAREHOLDER]

The undersigned, acting as the incorporator of a corporation under the provisions of the Washington Nonprofit Corporation Act (Chapter 24.03 of the Revised Code of Washington) (the "**Act**"), hereby signs and verifies the following Articles of Incorporation for such corporation.

ARTICLE I NAME

The name of the corporation shall be the ["Foundation Shareholder"] (hereinafter referred to as the "**Corporation**").

ARTICLE II DURATION

The duration of the existence of this Corporation shall be thirteen (13) years from and after the date of its incorporation.

ARTICLE III PURPOSES AND POWERS

Section 1. Purposes. The Corporation is organized exclusively for the promotion of social welfare within the meaning of Section 501(c)(4) of the Internal Revenue Code of 1986 (the "**Code**") and, subject to the limitations set forth in these Articles of Incorporation, is expressly empowered to devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise; provided that such legislation promotes the efficient use of health care resources by simplifying and reducing the administrative burdens of health care providers and Health Insurers in Washington and Alaska. "Health Insurer" shall be defined as any entity engaged in the business of providing coverage of or the administration of health benefits, including, without limitation, any health insurer, health care service contractor, hospital and medical service corporation, health maintenance organization, health carrier or health plan in Washington or Alaska. Subject to Section 501(c)(4) of the Code and the regulations thereunder, the Corporation's specific purposes are to promote the health of the residents of the states of Washington and Alaska by: *[Purposes to be finalized after further discussion between PREMERA and state officials, taking into account input from interested members of the community.]*

- (a) improving the availability of quality, affordable health care and related services;
- (b) addressing the unmet health care needs of uninsured and underinsured populations;
- (c) supporting the education of health care providers to increase the number of active physician and nonphysician providers and developing more efficient and effective health care delivery models;
- (d) supporting programs of medical, surgical and other scientific research aiming to
 - (i) make health care delivery more comprehensive and flexible, and (ii) develop and promote the most efficient uses of health care facilities, resources and services;
- (e) supporting initiatives to address short and long-term public health care needs and concerns;
- (f) providing grants and establishing programs to carry out such purposes;
- (g) lobbying and otherwise attempting to influence legislation that promotes the efficient use of health care resources by simplifying and reducing the administrative burdens of health care providers and Health Insurers in Washington and Alaska; and
- (h) otherwise serving the health care needs of residents of the states of Washington and Alaska.

Section 2. Powers. In furtherance of the foregoing purposes, other than lobbying purposes, the Corporation shall, consistent with the provisions hereof, applicable law, and any agreement, plan or other instrument governing the property granted, bequeathed, devised, or otherwise transferred to the Corporation and which is the source of funds for grants made by the Corporation, make grants to (i) one or more Washington nonprofit corporations exempt from taxation under Section 501(c)(3) of the Code; and (ii) one or more Alaska nonprofit corporations exempt from taxation under Section 501(c)(3) of the Code.

The Corporation also may (i) receive property (including, without limitation, membership interests or ownership interests in PREMERA (or any successor thereto)) by gift, devise or bequest; (ii) invest and reinvest the same, and consistent with the provisions hereof, applicable law, and any agreement, plan or other instrument governing the property granted, bequeathed, devised or otherwise transferred to the Corporation, apply the income and principal thereof, as the Board of Directors may from time to time determine either directly or through contributions to any charitable organization or organizations, exclusively for charitable, religious, scientific, literary or educational purposes; and (iii) engage in any lawful activity which may be necessary, useful or desirable for the furtherance, accomplishment, fostering or attainment of the foregoing purposes, either directly or indirectly and either alone or in conjunction or cooperation with others, whether such others be persons or organizations of any kind or nature, such as

corporations, firms, associations, trusts, institutions, foundations, or governmental bureaus, departments, or agencies.

Section 3. General. In general, and subject to such limitations and conditions as are or may be prescribed by law, or in the Corporation's Articles of Incorporation or Bylaws, the Corporation shall have all powers which now or hereafter are conferred by law upon a corporation organized for the purposes set forth above, or are necessary or incidental to the powers so conferred, or are conducive to the attainment of the Corporation's purposes.

ARTICLE IV LIMITATIONS

Section 1. Activities Consistent with Limitations of Section 501(c)(4). Notwithstanding any other provisions of these Articles, the Corporation shall not carry on any activities which are prohibited for a corporation exempt from federal income taxes under Section 501(c)(4) of the Code or a successor provision thereof.

Section 2. Political Activity. Notwithstanding the purposes set forth above, the Corporation shall not engage in any lobbying, within the meaning of the Code, in relation to any matters that may result in material adverse changes in the operations of Health Insurers. The Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

Section 3. No Inurement to Private Persons. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable, to any director, officer, or other private person, except that the Corporation is authorized or empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes.

ARTICLE V MEMBERS

The Corporation shall have no members.

ARTICLE VI DIRECTORS

The management of the Corporation shall be vested in a Board of Directors. The powers and duties, number, qualifications, terms of office, manner of election, criteria for removal, time and place of meetings and powers and duties of the directors shall be prescribed in the Bylaws of the Corporation. The number of directors constituting the initial Board of Directors of the

Corporation shall be _____ () director(s). The names and addresses of the persons who are to serve as the initial directors of the Corporation are as follows:

Name	Address
<i>[director]</i>	<i>[address]</i>

ARTICLE VII DIRECTOR LIABILITY LIMITATIONS

Section 1. Investment of Trust Funds. The Corporation's receipt, by contribution or gift, of membership interests or ownership interests in PREMERA (or any successor thereto) ("PREMERA Interests") shall not result in the "prudent person" rule applicable to trust investments being applied to any member of the Corporation's Board of Directors, without regard to whether a large concentration of the Corporation's assets is in such investment or whether such investment may be considered to be speculative. Furthermore, with respect to PREMERA Interests, the Board of Directors is expressly relieved from any and all duties, liability or requirements with regard to the "Investment of Trust Funds" as set forth in Chapter 11.100 of the Revised Code of Washington, or any amendment thereto or successor statute.

Section 2. General. A director of the Corporation shall have the same immunity from liability as is granted in RCW 4.24.264. No director of the Corporation shall be personally liable to the Corporation for monetary damages for conduct as a director, unless such conduct involves (a) intentional misconduct or a knowing violation of law by the director, (b) a violation of RCW 23B.08.310 or (c) any transaction from which the director will personally receive a benefit in money, property or services to which the director is not legally entitled. If the Act is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director shall be deemed eliminated or limited to the full extent permitted by the Act, as so amended. Any repeal or modification of this Article shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification for or with respect to an act or omission of such director occurring prior to such repeal or modification.

ARTICLE VIII INDEMNIFICATION OF DIRECTORS

Section 1. Authority to Indemnify. The Corporation shall have the power and duty to indemnify, including advancing expenses to, any director, officer, employee or agent of the Corporation made or threatened to be made a party to any suit or legal proceeding by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation, or arising out of his or her activities undertaken on behalf of the Corporation, except that such indemnity shall not apply on account of:

- (a) Acts or omissions of such person finally adjudged to be intentional misconduct or a knowing violation of law;

(b) With respect to directors, conduct of the director finally adjudged to be in violation of RCW 23B.08.310; or

(c) Any transaction with respect to which it was finally adjudged that such person personally received a benefit in money, property or services to which the person was not legally entitled.

This indemnity shall continue after a person has ceased to be a director, officer, employee or agent of the Corporation and may inure to the benefit of the heirs, executors, and administrators of such a person.

Section 2. Nonexclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, vote of disinterested directors or otherwise.

ARTICLE IX BYLAWS

Bylaws of the Corporation may be adopted by the Board of Directors at any regular meeting or any special meeting called for that purpose, so long as they are not inconsistent with the provisions of these Articles of Incorporation. The authority to make, alter, amend or repeal Bylaws is vested in the Board of Directors and may be exercised at any regular or special meeting of the Board of Directors, subject to such requirements as may be set forth in the Bylaws.

ARTICLE X AMENDMENT

These Articles of Incorporation may be amended by the Directors, subject to such requirements as may be set forth in the Corporation's Bylaws.

ARTICLE XI REGISTERED OFFICE AND AGENT

The address of the initial registered office of the Corporation shall be _____. The name of the initial registered agent of the Corporation at such address shall be _____.

ARTICLE XII DISSOLUTION

Upon the winding up and dissolution of the Corporation, the assets of the Corporation remaining after payment of, or provision for payment of, all debts and liabilities of the Corporation, shall be distributed to an organization or organizations recognized as exempt under Section 501(c)(3) of the Code, or the successor provision thereof, and used exclusively to accomplish the purposes for which this Corporation is organized; provided that such assets shall be distributed in accordance with any applicable agreement, plan or other instrument governing the property granted, bequeathed, devised, or otherwise transferred to the Corporation, to the extent such agreement, plan or other instrument directs that such assets be distributed to an organization or organizations recognized as exempt under Section 501(c)(3) of the Code, or the successor provision thereof.

ARTICLE XIII INCORPORATOR

The name and address of the incorporator of the Corporation is as follows:

[incorporator]
[address]

IN WITNESS WHEREOF, the undersigned has signed these Articles of Incorporation this ____ day of _____, 200_.

[Incorporator]
Incorporator

CONSENT TO APPOINTMENT AS REGISTERED AGENT

_____ hereby consents to serve as registered agent, in the State of Washington, for ***[Foundation Shareholder]*** (the “Corporation”). We understand that as agent for the Corporation, it will be our responsibility to accept service of process in the name of the Corporation; to forward all mail and license renewals to the appropriate officer(s) of the Corporation; and to notify the Office of the Secretary of State immediately of our resignation or of any changes in the address of the registered office of the Corporation for which we are agent.

Date: _____, 20____.

[Registered Agent]

By _____
[Name of Officer of Registered Agent, Title]

Address:

[Address]